



RISK APPETITE STATEMENT

4th quarter 2024



SOMMAIRE

I. PURPOSE AND GOVERNANCE..... 2

II. KEY PRINCIPLES..... 2

III. RISK GOVERNANCE ARCHITECTURE (RGA)..... 3

IV. FINANCIAL LOSS TOLERANCE THRESHOLDS.....5

V. CAPITAL, LEVERAGE AND LIQUIDITY RISK APPETITE..... 5

VI. CREDIT RISK APPETITE..... 5

VII. MARKET RISK APPETITE..... 5

VIII. MODEL RISK APPETITE..... 6

IX. CLIMATE (ENVIRONMENTAL) RISK APPETITE..... 7

X. OPERATIONAL AND REPUTATIONAL RISK APPETITE..... 7

XI. ANNEXES..... 10

 ANNEX 1: GLOSSARY..... 10

 ANNEX 2: RISK TAXONOMY AND RISK APPETITE RELATED METRICS..... 11

 COMMITMENTS at 31.12.2024..... 11

 NOMINAL VALUE OF EXPOSURE BY PRODUCT..... 14

 NUMBER OF WARRANTIES ISSUED PER PRODUCT..... 14

 COMPARATIVE GRAPH OF NOMINAL AND RESIDUAL VALUES OF
 GUARANTEES ISSUED AT 31/12/2024..... 15

 PRODUCT RISK..... 15

 COMPARATIVE GRAPH OF NOMINAL VALUES AND COMMITMENTS RECEIVED
 AT 31/12/2024..... 16

 ANNEX 3: RATIOS..... 17

 ANNEX 4: CREDIT RISK APPETITE..... 19

 CAPITAL, LEVERAGE AND LIQUIDITY RISK APPETITE..... 19

 CONCENTRATION RISK..... 19

 ANNEX 5: MARKET RISK APPETITE..... 20

 COUNTRY RISK..... 20

 SECTOR RISK..... 21

 PRODUCT RISK..... 22

 RATING RISK..... 22

 ANNEX 6: OPERATIONAL RISK APPETITE..... 23

 INTERNAL FRAUD..... 23

 EXTERNAL FRAUD..... 23

 EMPLOYMENT PRACTICES AND WORKPLACE SAFETY..... 23

 CUSTOMER, PRODUCT AND BUSINESS PRACTICES..... 23

 DAMAGE TO PHYSICAL ASSETS..... 23

 BUSINESS INTERRUPTIONS AND SYSTEMS FAILURES..... 23

 ANNEX 7: COMPLIANCE STATUS..... 24

 DEFINITION OF PROFILES..... 24

 LIST OF DOSSIERS AT 31.12.2024..... 24

 RATING MEDIUM OF PROFILES OF DOSSIERS AT 31.12.2024..... 26

I. PURPOSE AND GOVERNANCE

- a. ETC Export Trading & Cooperation (hereinafter "ETC or The Group") is Non-Supervised Entity Active in the Financial Industry (hereinafter "NOSU") as per [resolution 202 & 209 of Swift Corporate Rules](#), it means is an entity :
 - a.1. duly incorporated, validly existing and duly organized legal entity, and
 - a.2. rated with good standing financially (investment grade) certified by an External Credit Assessment Institution (ECAI), in accordance with EU Regulation (EC) No 1060/2009.
 - a.3. subject to regular compliance's audits in accordance with applicable laws and regulations, under supervision of an independent audit committee
 - a.4. subject to regular audits in accordance with internationally recognised accounting standards by an independent audit firm, and
 - a.5. majority-owned by a Supervised Financial Institution,
- b. As NOSU and in accordance with his Nace's codes, ETC is specialized in Trade Finance and Counter-Guarantee niches with African Markets,
- c. This Risk Appetite Statement (hereinafter "RAS") it has been inspired from Risk Appetite Framework (hereinafter "RAF") of [Financial Stability Board](#)
- d. The RAS provides a comprehensive summary of Risk Appetite parameters guiding the operations of ETC. Its main purpose is to facilitate concise presentation and informed periodic review of the level of risk ETC takes in its key activities. It reflects market practice, enhances the quality of internal decision-making, and helps build risk awareness culture. It assists the Group in

communication with stakeholders, including correspondent banks, investors and rating agencies, supporting continued access to funding and ability to pursue the Group's objectives.

- e. The document provides a consolidated overview of how various types of risk are governed in the Group. The following sections 2 and 3 describe the main principles underpinning risk appetite articulation and the overarching risk governance structure. Section 4 introduces Financial Loss Tolerance Thresholds (FLTTS) which are assessed against the results of the annual ETC-wide stress test. The FLTTS form part of the articulation of risk appetite for a number of financial risks. Section 5, 6, 7 and 8 then set out in detail key aspects of the Group's risk appetite for each risk type including capital and leverage risk, liquidity risk, credit risk, market risk, operational risk and reputational risk. Detailed risk type definitions and metrics used for risk measurement and limitation can be found in Annex 2.
- f. Most of the parameters described in this RAS have been proposed and adopted by Management through dedicated policy instruments, and approved by the Board of Directors (hereinafter "the Board or BoD"). These are referenced throughout the paper. This RAS will be updated annually to reflect changes in such underlying policies.
- g. The document is prepared and updated periodically by the Middle Office composed of Risks, Compliance and Commitments departments in consultations with other executive managers of the Group.

II. KEY PRINCIPLES

- a. The Group achieves its strategic objectives by assuming risk. Without appropriate

limitation, these risks have the potential to threaten its key resources including net profit, capital, liquidity and reputation. In turn, these risks could therefore undermine the trust and confidence our stakeholders, including shareholding governments, partners, organizations and other relevant bodies, have in the Group, its Management, and its strategy. At the extreme, these risks could necessitate requests for callable capital or even threaten the existence of the Group.

- b. To ensure that the risk profile of the Group remains strong, based on Management's recommendation, the Board adopts a set of Risk Appetite parameters articulated in this Statement and other policy documents as appropriate. These parameters guide both strategic planning and day-to-day decisions, thereby avoiding excessive risk taking and encouraging the development of robust controls to protect the key resources of the Group.
- c. In aggregate, the Group's standalone balance sheet strength, which facilitates the achievement of its objectives and simultaneously maintain confidence in its resilience in the face of adverse events underpin the A (Investment Grade) rating. The Risk Appetite parameters have been calibrated to ensure its continuation.
- d. Management is required to establish and maintain an appropriate infrastructure (including risk measurement, limits, rules, guidelines, independent decision-making, controls, monitoring, testing and reporting) to ensure that this Risk Appetite is complied with and to provide reports in the form of annual stress tests and quarterly risk reporting to evidence compliance.

III. RISK GOVERNANCE ARCHITECTURE (RGA)

- a. The overall Risk Governance Architecture of ETC is anchored in the :
 - i. Business process procedure (normalizing business flow and offices' responsibilities),
 - ii. Officers' delegations (normalizing Officers' Responsibilities),
 - iii. Manual of risk management (normalizing credit, market and operational risk management in accordance with Basel Committee baselines),
 - iv. AML/CTF manual (normalizing AML, CTF and ABC risk management in accordance with Italian law decree 231/2007 and related EU directive)
 - v. Ethical code (normalizing business ethics, conduct for employees and professional practices in accordance with ETC organization business model referring to Italian law decree 231/2007).
- b. The Group seeks to protect and build up its capital in order to support an enhanced range of activities and enable itself to withstand negative impact to its capital due to financial losses resulting from credit, market or other financial risks. Consistent with Basel Committee baselines, ETC complies with sound principles to all its operations, which implies alignment with market practice in terms of assessing, measuring and managing the risks faced by ETC.
- c. ETC follows market practice by reference to common standards of corporate governance, Basel committee baselines and other market practices in the finance industry. Additional reinforcement comes from the wider objectives of ETC, whereby ETC wishes to deploy capital appropriately,

to achieve adequate overall return on the risks borne, to support its financial sustainability, and to mitigate against potential excessive losses that would deplete its medium term operational capacity.

- d. To achieve this, ETC puts in place checks and balances to ensure that: Investment decisions are not unduly influenced by business targets and that risks are fully considered to ensure that there is a good prospect of avoiding losses. The build-up of any material correlated risks is identified, reviewed and where appropriate acted upon. Controls are adequately designed around all material risks, robustly implemented and rigorously tested, to ensure Management is agile to act on evolving risk profiles.
- e. Within the context of ETC 's overall RGA, Middle Office is responsible for ensuring independent risk management of the exposures including corporate recovery matters, operational risk and information security, and for ensuring the review and compliance of ETC 's activities with environmental and procurement policies, integrity, AML and prohibited practices as well as implementing related policy initiatives. The responsibility of the Middle Office for financial controls carried out in connection with operational risks is shared with the Presidency and Administration and Finance.
- f. The Chief Executive Officers (CEOs), Chief Risk Officer (CRO), Chief Compliance Officer (CCO) and Chief Commitments Officer (CCSO) are members of the Risk Committee (RCO) and report to the Presidency. Furthermore, the Presidency reports regularly to the Board on matters concerning the risk management function.
- g. ETC 's overall framework for identification and management of risks is underpinned by: Shared responsibility by all staff members to identify and manage risks they

incur in the course of fulfilling their responsibilities ("first line of defense"). This includes risk control activities performed within the first line of defense functions, such as peer reviews within compliance, liquidity and capital management controls operated by Middle Office. Empowered and appropriately resourced "second line of defense" functions are operated by RCO, with control responsibilities for matters falling into their areas of competence, including Risk Management of credit, market, liquidity, capital management and operational risks (as per legal, ESG and reputational risks). Independent Internal Audit functions, which act as "third line of defense", are operated by Audit Committee of BoD (ACO) and Supervisory Body 231 (SUB), independently assess the effectiveness of the processes within the first and second lines of defense.

- h. In discharging the duties of the Chief Officers are supported by several departments, as well as by the Risk Committee. The RCO is chaired by Presidency and Chief Officers. It oversees all aspects of the portfolios across all sectors and countries, and provides advice on risk management policies, measures and controls. It also approves proposals for new products and dossiers submitted by Front Office. Its membership comprises senior managers across ETC including representatives from Middle and Front Offices.
- i. Risk Management
 - i. provides an independent assessment of risks associated with individual investments undertaken by ETC ,
 - ii. performs an ongoing review of the portfolio to monitor the risk presented by investments,
 - iii. assesses and proposes ways to manage risks arising from correlations and concentrations within the portfolio,

- iv. and ensures that adequate systems and controls are put in place for identification and management of operational risks across ETC. Working together with other departments and units, Risk Management develops and maintains relevant policies for operations and promotes risk awareness across ETC.
- j. In exercising its responsibilities, Risk Management aims to: Provide assurance that risk-taking decision-making in ETC is balanced and within the agreed appetite, and that control processes are rigorously designed and applied; and Support ETC's business strategy and its execution, including the maximisation of transition impact through provision of efficient and effective delivery of risk management advice, challenge and decision-making.
- k. ETC's Department of the Chief Compliance Officer (DCCO) is responsible for protecting the integrity risks arising from the ETC's operations and its clients and proposed clients, and for ensuring that ETC has adopted appropriate standards on anti-money laundering; counter-terrorist financing; conflicts of interests; insider trading; Prohibited Practices; treatment of confidential information; and integrity and domiciliation due diligence that are in line with, or reflect, internationally accepted norms.
- l. In accordance with its terms of reference, the ACO and SUB periodically reviews and evaluates the functions performed by the Management. The SUB regularly meets with the heads of all these functions, without other members of Management being present.

IV. FINANCIAL LOSS TOLERANCE THRESHOLDS

- a. Portfolio degradation rate (PDR) $3\% <$ Common Equity Tier 1 (CET1)

V. CAPITAL, LEVERAGE AND LIQUIDITY RISK APPETITE

- a. Capital Risk Appetite = $\text{CET1 ratio}^1 = (\text{Tier1} + \text{Additional Tier1}) / [\text{Risk Weighted Assets (RWA)}^2 * 118\%] > 8\%$
- b. Leverage Risk Appetite = Leverage Basel III ratio (LVR) = $(\text{Tier1} + \text{Additional Tier1}) / \text{Exposure} > 3\%$
- c. Liquidity Risk Appetite
 - o Liquidity Coverage ratio (LCA) = $\text{Stock of High-Quality liquid Assets (SHQA)} / \text{Expected total Net Cash Outflows over 30 days stress period (ETNC30)} > 100\%$;
 - o Net Stable Funding ratio (NSFR) = $\text{Cash and equivalent (C\&E)} / \text{Long term liabilities(LTL)} > 100\%$

VI. CREDIT RISK APPETITE

- a. Credit Risk Appetite = Single Obligor Limit (SOL) = $\text{RWA Obligor}^3 < (\text{Tier1} + \text{Additional Tier1})^4 * 25\%$
- b. Credit Risk Appetite = Single Transaction Limit (STL) = $\text{RWA Single Transaction} < \text{RW or RCA} * 50\%$

VII. MARKET RISK APPETITE

- a. Country risk
 - o Single Country Limit (SCL) admitted country = $\text{Leverage Basel III}^5 * 25\% >$

¹ CET1 : please see Glossary

² RWA : please see Glossary

³ Obligor please see Glossary

⁴ Tier1: please see Glossary

⁵ Leverage Basel please see Glossary

SUM Country RWA < 25% GDP

b. Sector risk

- Single Sector Limit (SSL) of admitted country = SUM Sector RWA < Leverage Basel III * 25%

c. Product risk

- Single Product Limit (SPL) = EXP < 85% Counterpart Bank outstanding [CRB]
- Single Product Limit (SPL) = SPL = EXP < 85% LC
- Confirmation [MRPA]
- Single Product Limit (SPL) = SPL = EXP < 85% Medium/Long Term Loan [PFB]
- Single Product Limit (SPL) = SPL = EXP < 85% Short Term Loan [TFB]
- Single Product Limit (SPL) = SPL = EXP < 100% Surety Bond [STB]

d. Rating risk

- AAA, AA: Leverage Basel III * 100% < SUM RWA Investment grade class 1
- A, BBB: Leverage Basel III * 80% < SUM RWA Investment grade class 2
- BB, B: Leverage Basel III * 60% < SUM RWA Speculative grade class 3
- CCC, CC, C: Leverage Basel III * 12,5% < SUM RWA Speculative grade class 4
- D: Leverage Basel III * 3% < SUM RWA Speculative grade class 5

model risk. Model risk is the potential for financial loss or other adverse impact that an institution may incur, as a consequence of decisions that are principally based on the output of models, due to errors in the development, implementation or use of such models.

- b. Model risk can lead to financial loss, poor business and strategic decisions, or damage to reputation. Model risk occurs primarily for two reasons:

- i. a model may have fundamental errors and produce inaccurate outputs when viewed against its design objective and intended business uses;
- ii. and a model may be used incorrectly or inappropriately or there may be a misunderstanding about its limitations and assumptions. Model risk increases with greater model complexity, higher uncertainty about inputs and assumptions, broader extent of use, and larger potential impact.

- c. The Group puts in place risk based controls on inputs, assumptions and modeling techniques. For models critical to financial reporting, risk compliance or investment decisions, such controls typically involve review by an independent second line of defense team within Risk Management.

- d. At the same time, the Group recognises that, in addition to the usual modeling challenges, models supporting its core activity are exposed to acute uncertainty about their inputs and assumptions, exacerbated by its focus on frontier and emerging markets where reliable data remains scarce and comparators are not straightforward to select.

- e. As a consequence, the Group has an overall moderate model risk appetite, provided that data and model limitations

VIII. MODEL RISK APPETITE

- a. The Group utilizes a wide range of models to measure and manage its financial risks. These models give rise to

are understood by model users and decision makers. The Group's model risk control framework is risk based, with the level of controls depending on the criticality of the models.

- f. The Model Risk Management Framework: Key Principles is the overarching document describing the Group's approach to identifying and managing model risk across its business activities. It sets out the types of models used at the Group, as well as defining the risk appetite and control processes used in managing model risk.

IX. CLIMATE (ENVIRONMENTAL) RISK APPETITE

- a. In regard to the reputational impact of its activities, the Group is committed to the UN Global Compact (UNGC). This action implies carefulness from investments in environmentally or socially harmful projects.
- b. As part of UNGC our commitment to sustainable and responsible business practices, ETC has embedded the Ten Principles of the United Nations Global Compact into strategies and operations, and committed to respecting human and labour rights, safeguarding the environment, and working against corruption in all its forms. Membership implies the publication of United Nations Global Compact Communication on Progress (COP), demonstrating our ongoing commitment to responsible business action in support of broader societal goals. As part of our continued engagement with the United Nations Global Compact and its Ten Principles, this report outlines our efforts to support and uphold universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Our Communication on Progress (COP)

and other activities and engagements are available on our UNGC Participant profile, our website and herewith attached (Appendix 5).

- c. The process implemented:
 - the check of information against a set of performance requirements for key areas of environmental and social sustainability that projects are expected to meet.
 - the remedial action plan to be implemented by clients in case of failure to meet requirements.
 - and the rejection of projects that expose The Group to unacceptable environmental and social risks.

X. OPERATIONAL AND REPUTATIONAL RISK APPETITE

- a. Operational Risk :
 - **Type of operational risks**
 - Internal fraud
 - External fraud
 - Employment practices and workplace safety
 - Customer, product and business practices
 - Damage to physical assets
 - Business interruptions and systems failures
 - Operations execution, delivery and process management

- **Standardized approach method**

In the context of operational risk, the standardised approach or standardized approach is a set of operational risk measurement techniques proposed under Basel II capital adequacy rules for banking institutions. Basel II requires all

banking institutions to set aside capital for operational risk. Standardized approach falls between basic indicator approach and advanced measurement approach in terms of degree of complexity. Within each business line, gross income is a broad indicator that serves as a proxy for the scale of business operations and thus the likely scale of operational risk exposure within each of these business lines. The capital charge for each business line is calculated by multiplying gross income by a factor (denoted beta) assigned to that business line. Beta serves as a proxy for the industry-wide relationship between the operational risk loss experience for a given business line and the aggregate level of gross income for that business line. ETC is active in Corporate and Trade Finance, therefore his beta factor for Operational risk is 18%.

b. Reputational Risk

o **Customer Risk Assessment**

ETC Group has in place customer risk assessment and management procedures and accordingly classifies its customers according to their respective risk scales. Customer due diligence measures are applied to all new customers and at appropriate times to existing customers on a risk sensitive basis. Appropriate systems and controls are used to manage the identified compliance risks. The general principle of a risk-based approach is that where there are higher risks of money laundering, enhanced measures are applied and correspondingly where the risks are lower, simplified measures are permitted.

o **Prohibitions**

We have no appetite for customers who engage in any of the following:

1. International sanctions or

embargoes, in particular as issued by HM Treasury of UK ("OFSI"), the European Union ("EU"), the United Nations ("UN") or the US Office of Foreign Assets Control ("OFAC");

2. Wilfully or deliberately negligent breaches of laws, regulations, or policies applicable to financial crime risk;
3. Repeated unintentional or repeated accidental violations of laws, regulations, or policies applicable to the risk of financial crime;
4. Misuse of account for the purpose of money laundering or terrorist financing;
5. Facilitating business activity that could be construed as a tax offense;
6. Refusing to provide sufficient information or documentation to demonstrate compliance with the standards described in this statement.
7. We intend to do business only with reputable customers who use their own products, services and related accounts for legitimate purposes and whose identity can be established and verified.
8. In accordance with this principle, we will not knowingly conduct business with customers below who wish to have ETC coverage:
 - a. Arms, defense, military;
 - b. Atomic power;
 - c. Illegal narcotics,
 - d. Human trafficking,
 - e. Shell Banks,
 - f. Casinos,

- g. Shell companies, counterfeit, and shelf companies,
 - h. Terrorism-related associations.
9. We expect our clients to have policies, procedures, systems, and controls in place that allow them to ensure sufficient transparency of transaction flows and that prevent them from sending us these types of payments.

- **Restrictions**

We have heightened concerns about the risks posed by the following industries and will seek to limit activities that we consider suspicious. For these categories, we may reach out to you to better understand transaction flows.

- 1. Embassy / Consulate,
- 2. Charities (associations),
- 3. Used car dealers,
- 4. Travel and tourism companies,
- 5. Precious metal dealers,
- 6. General trading companies,

- 7. Money service businesses,
- 8. Other gambling entities (excluding state sponsored lotteries),
- 9. Offshore Banks,
- 10. Politically Exposed Persons (PEP),
- 11. Shipbroker companies,
- 12. Logistics companies.

We also expect our customers to have appropriate controls in place with respect to these industries.

- **Anti-Bribery and Corruption**

ETC Group does not tolerate any form of corruption or bribery. Any request for bribes or other benefits, whether business or personal, must be rejected immediately. We expect our customers to have policies, procedures, and a program in place to comply with anti-bribery and anti-corruption regulations and laws relating to the jurisdictions in which our customers and their clients operate.

XI. ANNEXES

1. GLOSSARY OF TERMS
2. RISK TAXONOMY AND RISK APPETITE RELATED METRICS AND CONTROLS
 - a. COMMITMENTS REPORT (outstanding commitments or exposures, guarantees received)
 - b. RISKS REPORT (prudential ratios, concentration risks, markets and operational risks)
 - c. COMPLIANCE REPORT (rating of outstanding obligors, their legal representatives and beneficial owners)

Sheet of the Bank. Capital consists of paid-in capital, reserves and retained earnings.

Tier 1: is a component of capital that is mostly common stock held by a bank or non-bank institution.

Obligor: In the Financial Supply Chain, is the stakeholder who undertakes contractual obligations.

Leverage Basel: measures the group's consolidated tiers 1 ability to withstand its total exposure; the higher it is, the stronger is the group.

SBLC-A "Stand By Letter of Credit" is a legal document according to ICC rules (International Chamber of Commerce) that guarantees a Beneficiary in order to Obligor risk default

Liquidity Coverage ratio (LCR): measures the group's consolidated tiers 1 ability to withstand its total exposure; the higher it is, the stronger is the group.

Net Stable Funding Ratio (NSFR) : measures the amount of available stable fundings (cash and equivalents) to the required stable funding (Existing financial debts and Risk weighted assets).

Risk weighted assets (RWA): are used to determine the minimum amount of capital the group must hold about the risk profile of its coverage activities.

High Quality liquid Assets (HQLA): Assets easily and immediately convertible into cash at little or no loss of value

Expected total Net Cash Outflows over 30 days stress period (ETNC30): defined as the total expected cash outflows (monthly operational costs and monthly prorata RWA) in the specified stress scenario for the subsequent 30 calendar days

Cash and equivalent (C&E): also known as the "Available stable funding", is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year

Long term liabilities(LTL): Defined as the total of The group financial debts and its risk weighted assets

ANNEX 1: GLOSSARY

Capital: Members' equity attributable to equity holders as defined by the International Financial Reporting Standards and reported in the Balance

ANNEX 2: RISK TAXONOMY AND RISK APPETITE RELATED METRICS

COMMITMENTS at 31.12.2024

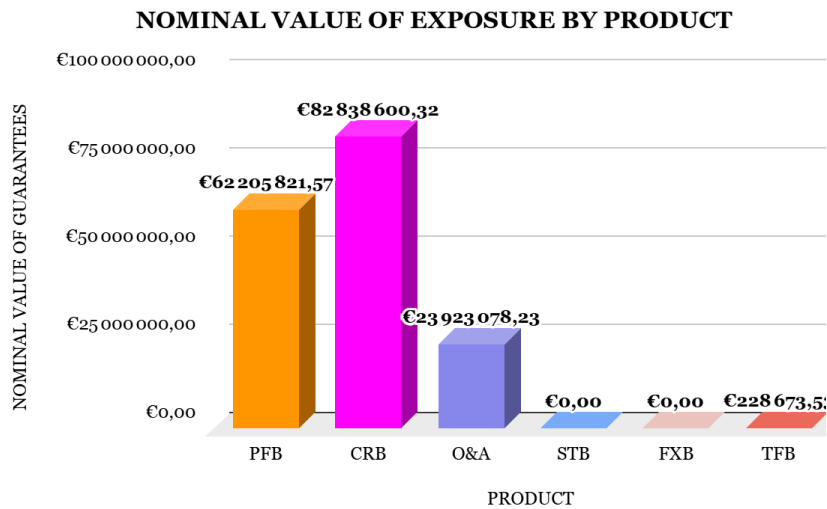
TOTAL COMMITMENTS AT 31.12.2024												
ID	OBLIGOR C.	SECTOR	RATING	PRODUCT	ISSUING DATE	EXPIRING DATE	G.TEE VALUE	FINANCING	EXPOSURE at 31.12.2024	COMMITMENT RECEIVED at 31.12.2024	RWA at 31.12.2024	CAPITAL ABSORPTION
2841/02	CAMEROUN	MANUFACTURING	UNRATED	PFB	2018-11-08	2025-11-08	€15 054 340,45	€30 108 680,90	€2 299 968,68	€72 676 257,74	€0,00	€0,00
3101	BENIN	REAL ESTATE ACTIVITIES	UNRATED	PFB	2020-09-21	2028-09-30	€1524 490,17	€3 048 980,34	€816 691,16	€4 164 037,12	€0,00	€0,00
3031/02	GUINEE EQUATORIALE	MANUFACTURING	B	PFB	2020-10-29	2028-04-30	€921 046,15	€7 317 552,83	€921 046,15	€7 317 552,83	€0,00	€0,00
2951	GABON	FINANCIAL SERVICES	CCC	PFB	2020-11-19	2026-06-30	€1868 659,07	€2 439 184,28	€502 027,81	€3 251 256,56	€0,00	€0,00
SUR_C015	GUINEE EQUATORIALE	MANUFACTURING	AAA	PFB	2022-02-07	2027-06-28	€2 317 225,06	€2 896 531,33	€1 479 079,83	€11 586 125,31	€0,00	€0,00
BDC_C004	GABON	REAL ESTATE ACTIVITIES	CCC	PFB	2022-02-07	2031-09-30	€34 301 028,88	€68 602 057,76	€33 877 559,39	€106 724 962,56	€0,00	€0,00
SUR_C025	GUINEE EQUATORIALE	MANUFACTURING	B	PFB	2022-06-27	2028-04-30	€1905 612,72	€3 811 225,43	€1905 612,72	€3 811 225,43	€0,00	€0,00
4017/9016	GABON	FINANCIAL SERVICES	B	PFB	2023-03-07	2028-03-07	€1715 051,44	€2 286 735,26	€1 114 783,44	€0,00	€0,00	€0,00
4015/9081	RDC	TELECOMMUNICATION	BBB	PFB	2023-03-23	2028-03-22	€1455 000,00	€2 910 000,00	€1043 207,55	€5 820 000,00	€314 252,55	€29 665,44
4023/9086	GUINEE EQUATORIALE	MANUFACTURING	BB	PFB	2023-06-07	2029-06-06	€1143 367,63	€2 286 735,26	€1 143 367,63	€2 286 735,26	€158,546.98	€14,966.83

TOTAL COMMITMENTS AT 31.12.2024

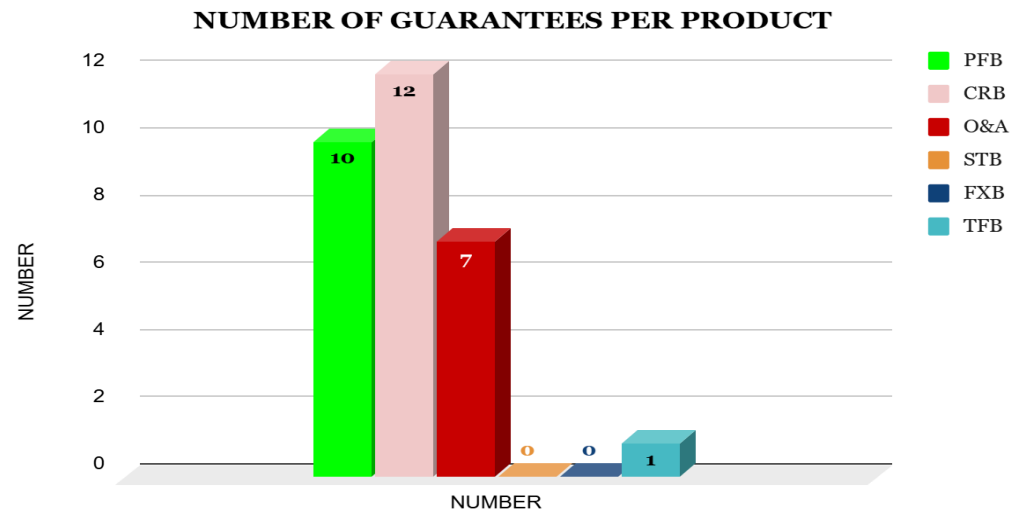
ID	OBLIGOR C.	SECTOR	RATING	PRODUCT	ISSUING DATE	EXPIRING DATE	G.TEE VALUE	FINANCING	EXPOSURE at 31.12.2024	COMMITMENT RECEIVED at 31.12.2024	RWA at 31.12.2024	Capital absorption
4019/9066	BENIN	ACCOMODATION	CCC	CRB	2024-01-24	2024-12-31	€4 184 725,52	€8 369 451,04	€4 184 725,52	€28 539 980,52	€0,00	€0,00
ETCG2024406004	ZIMBABWE	WHOLESALE TRADE	BB	O&A	2024-06-04	2025-05-26	€987 747,81	€1162 056,25	€987 747,81	€987 747,81	€697 233,75	€65 818,87
ETCG2024406005	ZIMBABWE	WHOLESALE TRADE	BB	O&A	2024-06-04	2025-05-26	€1533 029,71	€1803 564,37	€1533 029,71	€1533 029,71	€1 082 138,62	€102 153,89
ETCG2024406006	ZIMBABWE	WHOLESALE TRADE	BB	O&A	2024-06-04	2025-05-26	€1607 745,74	€1891 465,57	€1607 745,74	€1607 745,74	€1 134 879,34	€107 132,61
ETCG2024406010	ZIMBABWE	WHOLESALE TRADE	BB	O&A	2024-10-09	2025-03-11	€4 801 019,85	€ 5 334 466,50	€4 801 019,85	€4 801 019,85	€3 467 403,23	€327 322,86
ETCG2024406011	ZAMBIE	WHOLESALE TRADE	BB	O&A	2024-10-16	2025-03-08	€1843 000,00	€ 7 468 998,00	€1843 000,00	€1843 000,00	€145 500,45	€13 735,24
ETCG2024406012	ZIMBABWE	WHOLESALE TRADE	BB	O&A	2024-11-22	2025-03-15	€1487 305,92	€ 4 849 972,59	€1487 305,92	€1487 305,92	€0,00	€0,00
ETCG2024406013	GUINEE CONAKRY	WHOLESALE TRADE	BB	O&A	2024-12-24	2026-06-10	€11663 229,21	€22 263 641,76	€11663 229,21	€11663 229,21	€0,00	€0,00
BGFI_COO7	RDC	WHOLESALE TRADE	BBB	CRB	2021-03-20	2025-03-19	€3 233 333,33	€4 850 000,00	€3 233 333,33	€11640 000,00	€0,00	€0,00
4055/9057	RDC	TRANSPORTATION STORAGE	BBB	CRB	2024-04-18	2025-04-17	€2 910 000,00	€6 014 000,00	€2 910 000,00	€7 760 000,00	€967 090,00	€91 293,30
4070/9115	TCHAD	MANUFACTURING	BB	CRB	2024-05-23	2025-05-22	€4 573 470,52	€15 244 901,72	€4 573 470,52	€15 244 901,72	€0,00	€0,00
4071/9066	BENIN	WHOLESALE TRADE	CCC	CRB	2024-05-21	2025-05-20	€7 622 450,86	€15 244 901,72	€7 622 450,86	€22 867 352,59	€5 716 838,14	€539 669,52
3351_04/9026	GABON	FINANCIAL SERVICES	BBB	CRB	2024-07-01	2024-12-31	€13 300 000,00	€26 600 000,00	€13 300 000,00	€37 200 000,00	€0,00	€0,00
4081/9125	ECOBANK GUINEE EQUATORIALE	WHOLESALE TRADE	BB	CRB	2024-07-09	2025-07-08	€7 317 552,83	€9 146 941,03	€ 7 317 552,83	€9 146 941,03	€4 268 572,49	€402 953,24

TOTAL COMMITMENTS AT 31.12.2024												
ID	OBLIGOR C.	SECTOR	RATING	PRODUCT	ISSUING DATE	EXPIRING DATE	G.TEE VALUE	FINANCING	EXPOSURE at 31.12.2024	COMMITMENT RECEIVED at 31.12.2024	RWA at 31.12.2024	Capital absorption
4037/9066	BENIN	CIVIL ENGINEERING	BB	CRB	2024-06-05	2025-06-04	€7 622 450,86	€15 244 901,72	€7 622 450,86	€762 245,09	€0,00	€0,00
1150/1093	BENIN	WHOLESALE TRADE	UNRATED	TFB	2024-08-08	2025-08-07	€228 673,53	€457 347,05	€ 152 449,02	€457 347,05	€1 524,50	€143,91
4048/9066	BENIN	CIVIL ENGINEERING	C	CRB	2024-09-26	2025-09-26	€3 811 225,43	€8 232 246,93	€ 3 811 225,43	€8 643 859,28	€0,00	€0,00
4049/9066	BENIN	CIVIL ENGINEERING	B	CRB	2024-09-26	2025-09-26	€1524 490,17	€4 573 470,52	€ 1524 490,17	€2 515 408,78	€286 735,26	€27 067,81
4038/9057	RDC	FINANCIAL SERVICES	BB	CRB	2024-09-12	2025-12-31	€15 229 000,00	€30 458 000,00	€ 15 229 000,00	€162 960 000,00	€1 522 900,00	€141 761,76
4042/9066	BENIN	MANUFACTURING	UNRATED	CRB	2024-09-21	2025-09-21	€11 509 900,80	€29 956 231,89	€ 11 509 900,80	€56 916 840,59	€0,00	€0,00
TOTAL COMMITMENTS							€169 196 173,65	€ 344 874 242,05	€ 152 017 471,93	€606 216 107,70	€19 763 615,31	€1 865 685,28

NOMINAL VALUE OF EXPOSURE BY PRODUCT



NUMBER OF WARRANTIES ISSUED PER PRODUCT



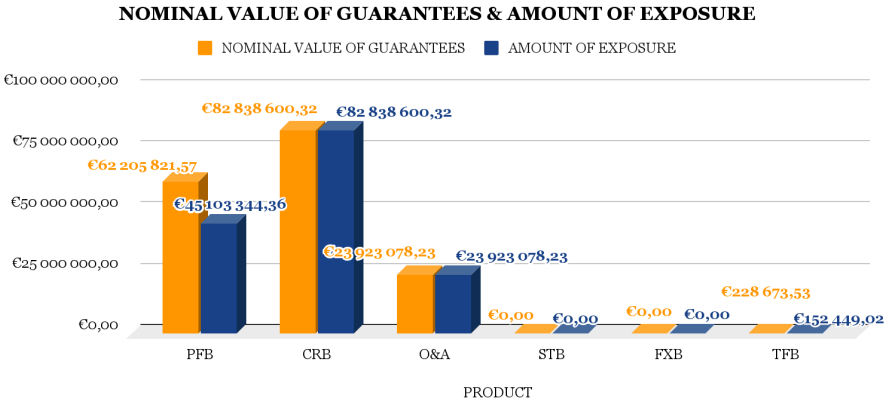
COMMENT

From the above table and charts, at 31 th december 2024, our irrevocable commitments in the portfolio are as follows. **30** valid irrevocable commitments for a total amount of **Eur 169,196,173.65** of which :

10 PFB representing **33,33%** in number of the said commitments with a value of **Eur 62,205,821.57**;
12 CRB representing **40,00%** in number of the said commitments, with a value of **Eur 82,838,600.32**; and
07 O&A representing **23,33%** in number of the said commitments with a value of **Eur 23,923,078.23**
01 TFB representing **3,33%** in number of the said commitments with a value of **Eur 228,673.53** .

From the above, we can say that in terms of numbers and figures the CRB is our flagship product.

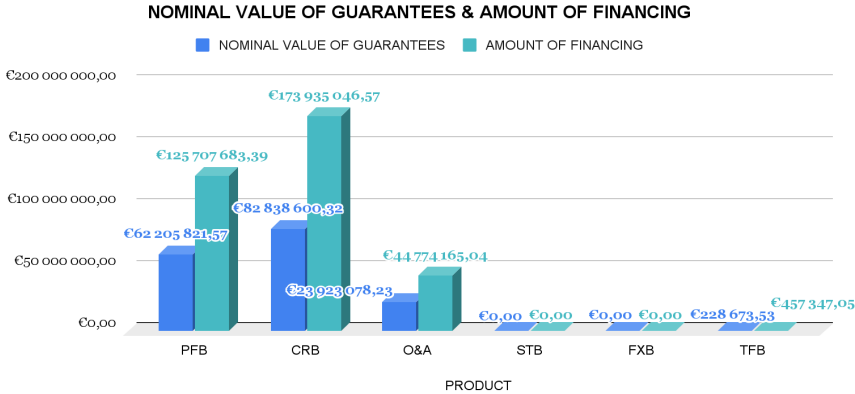
COMPARATIVE GRAPH OF NOMINAL AND RESIDUAL VALUES OF GUARANTEES ISSUED AT 31/12/2024



COMMENT

- From the graphic above :
- **10 valid PFB** worth **Eur 62,205,821.57** to date, we remain exposed to **Eur 45,103,344.36**;
 - **12 valid CRB** for a value of **Eur 82,838,600.32** to date, we remain exposed to **Eur 82,838,600.32** ;
 - **07 valid O&A** worth **Eur 23,923,078.23** to date we remain exposed to **Eur 23,923,078.23** ;
 - **01 valid TFB** worth **Eur 228,673.53** to date we remain exposed to **Eur 152,449.02** .

PRODUCT RISK

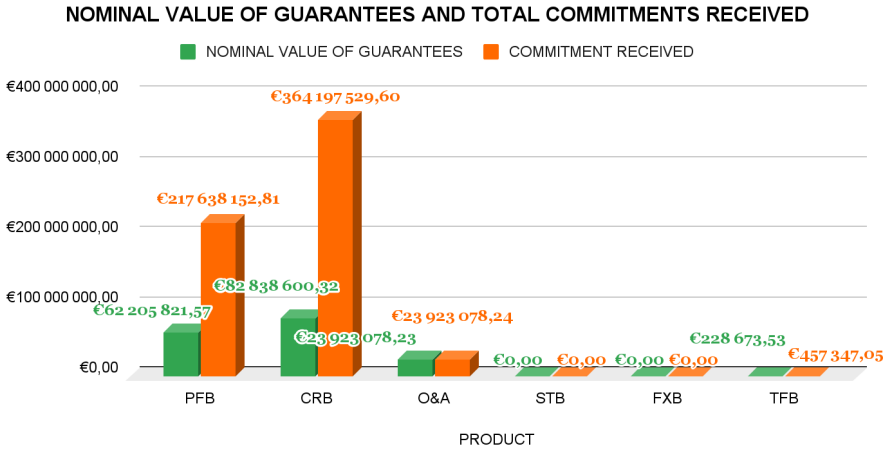


COMMENT

- From the graphic above:
- **Eur 62,205,821.57** of cover granted, on the **PFB**, the total amount of financing granted by the beneficiaries of our guarantees is **Eur 125,707,683.39** i.e. cover of 49,48%, which means that we are below the **80%** limit;
 - **Eur 82,838,600.32** of cover granted, on the **CRB**, the total amount of financing granted by the beneficiaries of our guarantees is **Eur 173,935,046.39** i.e. cover of 47,63%, which means that we are below the **80%** limit;
 - **Eur 23,923,078.23** of cover granted, on **O&A**, the total amount of financing granted by the beneficiaries of our guarantees is **Eur 44,774,165.04** i.e. cover of 53,43%, which means that we are below the **80%** limit;

- **Eur 228,673.53** of cover granted, on **TFB**, the total amount of financing granted by the beneficiaries of our guarantees is **Eur 457,347.05** i.e. cover of 50%, which means that we are below the **80%** limit.

COMPARATIVE GRAPH OF NOMINAL VALUES AND COMMITMENTS RECEIVED AT 31/12/2024



From the side graphic :

- **Eur 62,205,821.57** of cover granted, on the **PFB**, the total amount of collaterals received is **Eur 217,218,152.81**, i.e. cover of 349,88%, which means that we are fully covered;
- **Eur 82,838,600.32** of cover granted, on the **CRB**, the total amount of collaterals received is **Eur 364,197,529.60** i.e. cover of 439,65%, which means that we are fully covered;
- **Eur 23,923,078.23** of cover granted, on **O&A**, the total amount of collateral received is **Eur 23,923,078.23** i.e. cover of 100%, which means that we are covered.
- **Eur 228,673.53** of cover granted, on **TFB**, the total amount of collaterals received is **Eur 457,347.05** i.e. cover of 200%, which means that we are fully covered

ANNEX 3: RATIOS

USE OF THE GUARANTEE GRANTED (UGG)				
WARRANTY GRANTED AND USED		WARRANTY GRANTED		AVERAGE COVERAGE RATE
NUMBER	AMOUNT	NUMBER	AMOUNT	
30	€169 196 173,65	41	€664 705 076,66	25,45%
Note: To date, the rate of use of the warranty granted over that used is 25,45% .				

HISTORICAL ISSUED COMMITMENTS / LOANS (HCL)			
NUMBER	TOTAL COMMITMENTS ISSUED BY ETC	TOTAL FINANCING SUPPORTED	AVERAGE COVERAGE RATE
83	€473 408 824,65	€2 083 486 369,41	22,72%
Note: ETC's average coverage rate for the 83 hedges granted by ETC to date out of total beneficiary financing is 22,72% (benchmark coverage limit 80% - source AECM), which means that we are well within the limit set.			

YEARLY COMMITMENTS / LOANS (YCL)			
NUMBER	TOTAL COMMITMENTS ISSUED IN 2024	TOTAL FINANCING SUPPORTED	AVERAGE COVERAGE RATE
28	€140 387 957,09	€325 018 029,30	43,19%
Note: ETC's average cover ratio, i.e. the ratio of total cover granted to date in 2024 to total financing granted by beneficiaries, is 43,19% (benchmark coverage limit 80% - source AECM), which means that we are well within the limit set.			

OUTSTANDING / ONGOING COMMITMENTS (OCO)			
NUMBER	OUTSTANDING RESIDUAL VALUE	ONGOING COMMITMENTS	AVERAGE DISCHARGE RATE
30	€152 017 471,93	€169 196 173,65	10,15%
Note: To date, on all valid commitments, we have discharged 10,15% of ongoing Commitments			

WA COLLATERAL / ONGOING COMMITMENTS (ROC)			
NUMBER	COLLATERALS	ONGOING COMMITMENTS	AVERAGE COLLATERALS RATE
30	€606 216 107,7	€169 196 173,65	358,29%
Note: To date, commitments received in respect of the risk weighting by Basel are 3 times more than our issued commitments, which means that in the event of an appeal and indemnification by ETC, we are perfectly capable of recovering the indemnified amount.			

SOLVENCY RATIO		
OWN FUNDS	PORTFOLIO RWA	SOLVENCY RATIO
€205 085 824,00	€19 763 615,31	1037,69%
Note: The ratio between our shareholders' equity and total RWA gives us 1037,69% , which is higher than the regulatory minimum of 100%, meaning that we are fully covered.		

CLAIM SETTLEMENT RATIO (CSR) / TAUX DE RÈGLEMENT DES SINISTRE (Benchmark CIMA zone more than 80%)

LAST 5 YEARS	CLAIM SETTLED	CLAIM RECEIVED	PERCENTAGE
2024	1	1	100%
2023	0	0	100%
2022	0	3	0,00%
2021	1	1	100%
2020	0	0	100%
2019	0	1	0%
TOTAL	2	6	33,33%

Note: Out of an average of 6 claims received, only **2** are complete and compliant and have been indemnified. Consequently, the average rate of compliance with warranty claim conditions by Beneficiaries is **33.33%**.

ADJUSTED CSR (ACSR) / TAUX DE RÈGLEMENT DES SINISTRE CORRIGÉ (Benchmark CIMA zone more than 80%)

LAST 5 YEARS	CLAIM SETTLED	COMPLIANT CLAIM RECEIVED	PERCENTAGE
2024	1	0	100,00%
2023	0	0	100,00%
2022	0	0	100,00%
2021	1	1	100,00%
2020	0	0	100,00%
2019	0	1	100,00%
TOTAL	2	2	100,00%

Note: The **100%** rate means that ETC will always indemnify all warranty calls where documentation is complete and complies with the call conditions specified in the stand-alone warranty.

CLAIM LOSS RATIO (CLR) / TAUX DE PERTE DE SINISTRE (CLR) (Benchmark CIMA zone less than 37%)

YEARS	AMOUNT SETTLED	COMMITMENT FEES COLLECTED	PERCENTAGE
2024	500 000,00 €	1 370 358,00 €	70,19%
2023	0,00 €	2 075 017,00 €	0,00%
2022	0,00 €	523 536,00 €	0,00%
2021	36 574,27 €	1 937 301,00 €	2%
2020	0,00 €	920 654,00 €	0,00%
2019	0,00 €	964 875,00 €	0,00%
TOTAL	536 574,27 €	7 791 741,00 €	7%

Note: To date, for the above-mentioned years, the sum indemnified represents **7%** of the total value of commitment fees collected.

ANNEX 4: CREDIT RISK APPETITE

CAPITAL, LEVERAGE AND LIQUIDITY RISK APPETITE

Risk type	Metrics	
Capital risk	CET 1 = 320.93%	Since Basel III sets the core capital ratio at a minimum of 8.00% , no breaches were recorded up to December 31st, 2024.
Leverage risk	LRA⁶ = 31.67%	As the leverage ratio is set at a minimum of 3.00% by Basel III, allowing the Group a yardstick commitment of EUR 6,836,194.133 with a Group validated Tier1 of EUR 205,085,824.00 no breach was recorded up to December 31st, 2024.
Liquidity risk	LCR⁷ = 129.61%	Liquidity risk reflects the Group's financial health and the confidence of its partners. To moderate this risk, the Basel Committee has included two ratios in its regulatory framework.
	NSFR⁸ = 940.49%	The Group monitors this risk and regularly performs short- and long-term liquidity simulations. Based on Basel requirements, The Group's resilience against short and long-term obligations is perfectly strengthened by its short-term assets.

CONCENTRATION RISK

Risk type	Metrics	
Single Obligor limit	SOL = EUR 51,271,456.00	The Group did not register any exposure up to this limit during quarter 4 of 2024 and therefore respects the Basel requirement
Single Transaction limit		The Group did not register any exposure up to the limits during quarter 4 of 2024 and therefore respects the prudential requirements

⁶ LRA please see Glossary

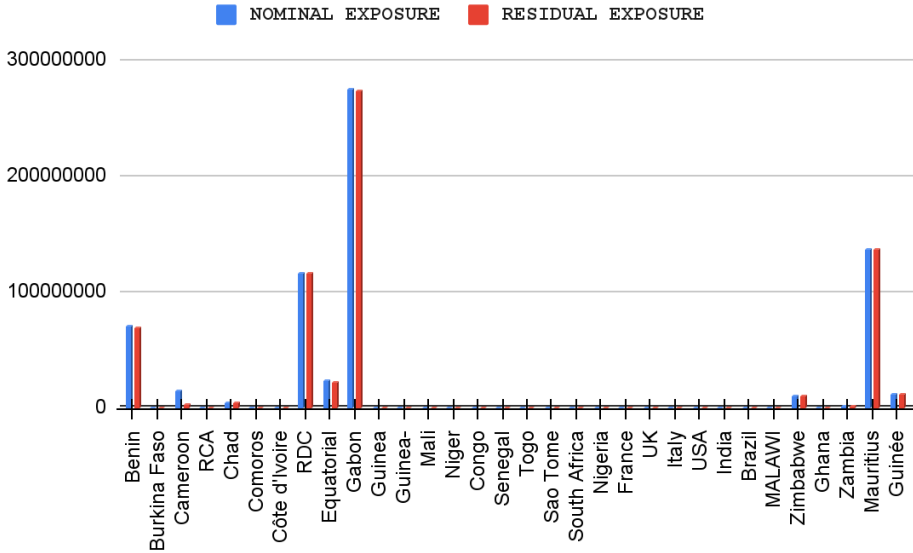
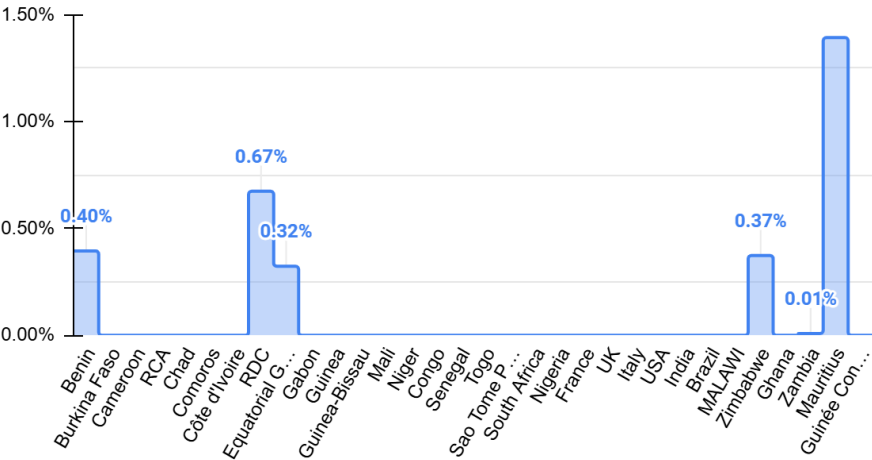
⁷ LCR please see Glossary

⁸ NSFR please see Glossary

ANNEX 5: MARKET RISK APPETITE

COUNTRY RISK

SINGLE COUNTRY LIMIT(SCL) RATIO

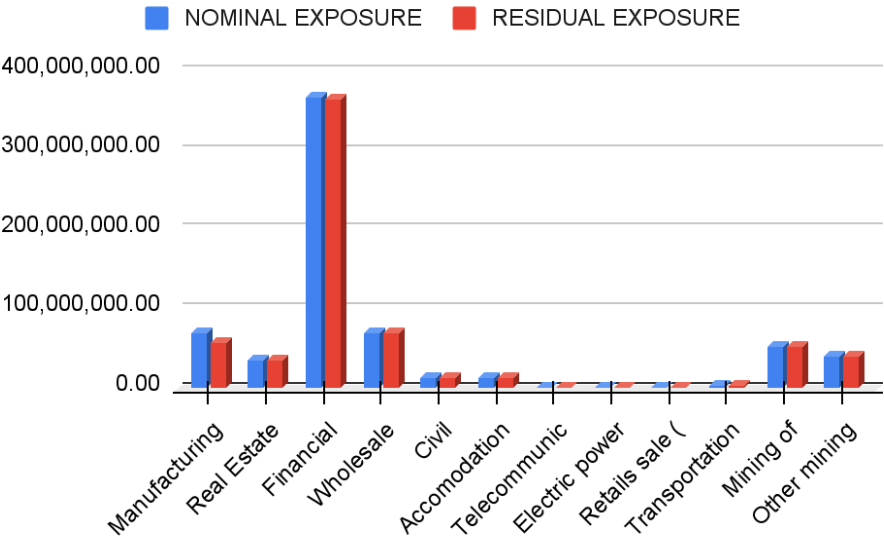
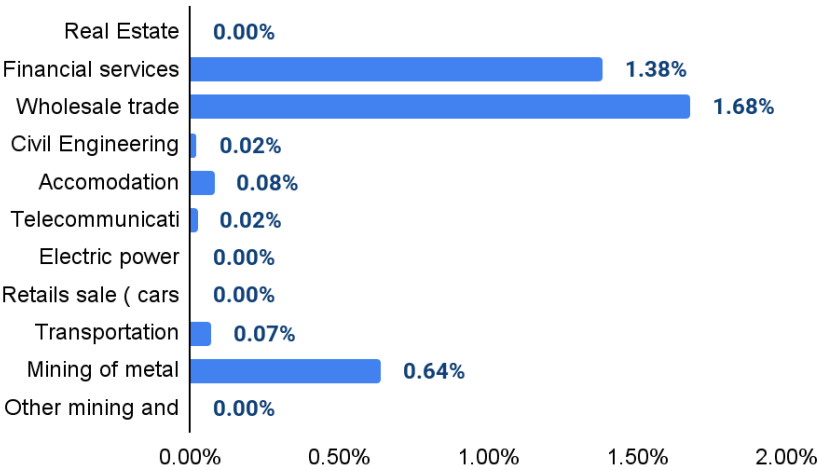


This standard, measured by weighted net assets per country in relation to an internal prudential limit of **25.00%** of total authorized exposures, is set by Basel at a maximum of **100.00%**.

This ratio is respected by all countries benefiting of the guarantee.

SECTOR RISK

SINGLE SECTOR LIMIT (SSL) RATIO

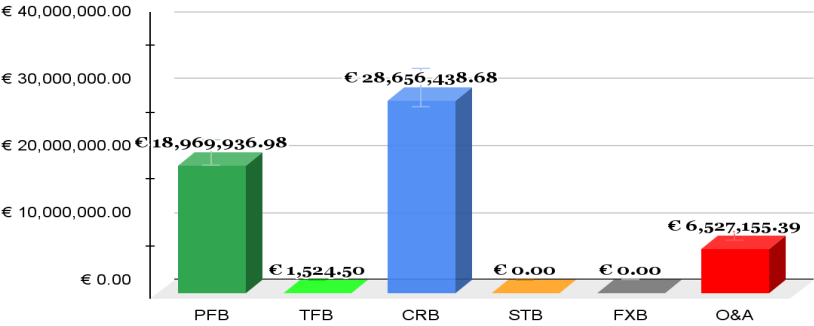


This standard is measured by weighted net assets per sector of activity compared with an internal prudential of **25.00 %** of total exposures.

The Group complies with this ratio in all business sectors covered by the ETC guarantee.

PRODUCT RISK

EXPOSURE (RWA) PER PRODUCTS



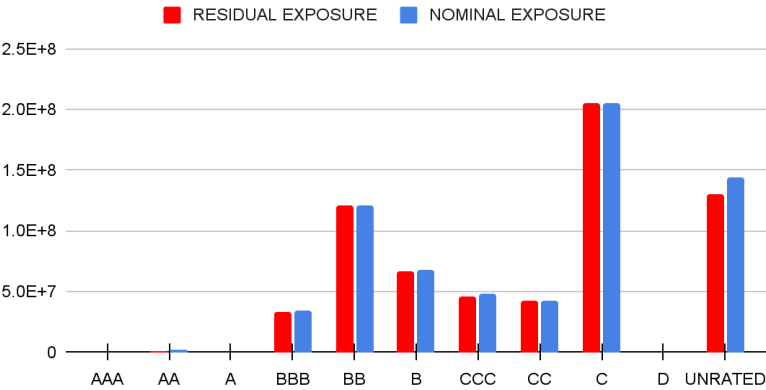
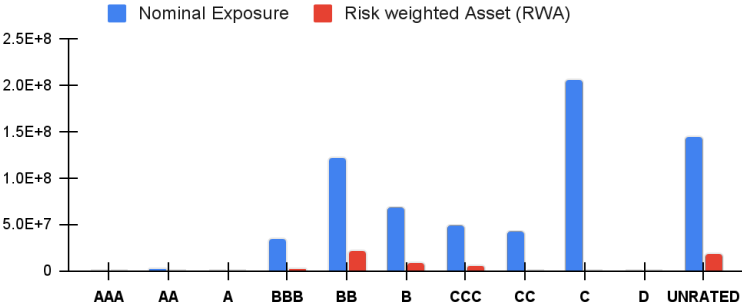
The Risk-weighted assets (RWA) are estimated at **EUR 54,155,055.55** as of December 31st 2024, with CRBs accounting for **52.92%** or **EUR 28,656,438.68**

Despite the Group's commitment to the financial coverage activity, the following points should be noticed up to the end of quarter 4, 2024:

- **SPL [CRB] respected**
- **SPL [PFB] respected**
- **SPL [TFB] respected**
- **SPL [STB] respected**
- **SPL [O&A] respected**

RATING RISK

RATING RISK



The C rating presents a risk (exposure) evaluated at **EUR 205,000,000.00**, i.e. **30.84%** of the active portfolio, followed by the UNRATED, BB and B ratings for values representing **21.71%**, **18.16%**, and **10.21%** respectively. The Group's weighted net asset as of December 31st 2024 shows 3 weighted risks for the Group, i.e. a BB rating for **EUR 20,739,540.49**, a UNRATED rating for **EUR 17,401,524.50** and a B rating for **EUR 9,015,809.88**.

ANNEX 6: OPERATIONAL RISK APPETITE

RISK TYPE	
	Risk of loss due to intentional acts, involving at least one party internal to the establishment, aimed at fraud, misappropriation of property belonging to the establishment or its customers, manipulation of information, circumvention of regulations, legislation or establishment policy.
INTERNAL FRAUD	Risk of loss resulting from acts by a third party to defraud, misappropriate property belonging to the company or its customers, manipulate information or circumvent legislation;
EXTERNAL FRAUD	Risk of loss resulting from acts by a third party to defraud, misappropriate property belonging to the company or its customers, manipulate information or circumvent legislation;
EMPLOYMENT PRACTICES AND WORKPLACE SAFETY	Risk of loss resulting from an unintentional or negligent breach of professional duty to customers, or from a breach attributable to the nature or design of a given product;
CUSTOMER, PRODUCT AND BUSINESS PRACTICES	Risk of loss due to destruction or damage resulting from natural disasters or external causes;
DAMAGE TO PHYSICAL ASSETS	Risk of losses resulting from business interruptions or technological system malfunctions;
BUSINESS INTERRUPTIONS AND SYSTEMS FAILURES	Risk of losses arising from failures in transaction processing or process management, and losses incurred in relations with commercial counterparties and suppliers;
	Group risk mitigation strategy applied by the standardised approach valuation of EUR 9,747,910.00 i.e. 18.00% of the Group risk-weighted asset

ANNEX 7: COMPLIANCE STATUS

DEFINITION OF PROFILES

Low Profile – Nothing to report

Medium Profile – Adverse Media

High Profile - PEP and Jurisdiction Under Increased Monitoring FATF




LIST OF DOSSIERS AT 31.12.2024

ID DOSSIER	COUNTRY	LEGAL REPRESENTATIVE		ULTIMATE BENEFICIAL OWNER		PROFILE
		PEP	PROFILE	PEP	PROFILE	
2391	CAMEROON	No	Low	No	Low	Low
3351-04/9026	FRANCE	No	Low	No	Low	Low
4038/9057	DEMOCRATIC REP. OF CONGO	No	Low	No	Low	High
2951	GABON	No	Low	No	Low	Low
3031/02	EQUATORIAL GUINEA	No	Low	No	Low	High
3101	BENIN	No	Low	No	Low	Low
BDC C004	GABON	Yes	High	Yes	High	High
SUR C015	EQUATORIAL GUINEA	No	Low	No	Low	High
				No	High	
BGFI C007	DEMOCRATIC REP. OF CONGO	No	Low	No	Low	High
4017/9016	GABON	No	Low	No	Low	Low
SUR C025	EQUATORIAL GUINEA	No	Low	No	Low	High
4015/9081	DEMOCRATIC REP. OF CONGO	No	Low	No	Low	High

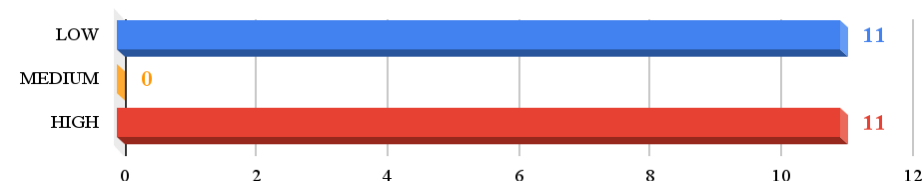
4019-02/9066	BENIN	No	Low	No	Low	Low
4023/9086	EQUATORIAL GUINEA	No	Low	No	Low	Low
			Low	No	Low	
4037/9066	BENIN	No	Low	No	Low	Low
4042/9066	BENIN	Low	Low	No	Low	Low
4049/9066	BENIN	Low	Low	No	Low	Low
4048/9066	BENIN	Low	Low	No	Low	Low
4055/9057	DEMOCRATIC REP. OF CONGO	No	Low	No	Low	High
			Low	No	Low	
4071/9066	BENIN	No	Low	No	Low	Low
4070/9115	CHAD	No	Low	No	Low	Low
4060-004/9076	FRANCE	No	Low	No	Low	Low
4060-005/9076	FRANCE	No	Low	No	Low	Low
4060-006/9076	FRANCE	No	Low	No	Low	Low
4081/9125	EQUATORIAL GUINEA	No	Low	No	Low	Low
1150/1093	BENIN	No	Low	No	Low	High
				No	Low	
				Yes	High	
4060-010/9076	FRANCE	No	Low	No	Low	Low
4060-011/9076	FRANCE	No	Low	No	Low	Low
4060-012/9076	FRANCE	No	Low	No	Low	Low
4060-013/9076	FRANCE	No	Low	No	Low	Low
1165/1095	RDC	No	Low	No	Low	High
1161/1094	RDC	No	Low	No	Low	High
				No	Low	

1185/1099	EQUATORIAL GUINEA	Yes	High	Yes	High	High
1185/1100	EQUATORIAL GUINEA	Yes	High	Yes	High	High
1084/1103	EQUATORIAL GUINEA	No	Low	No	Low	High
1173/1108	MAURICE	No	Low	No	Low	Low

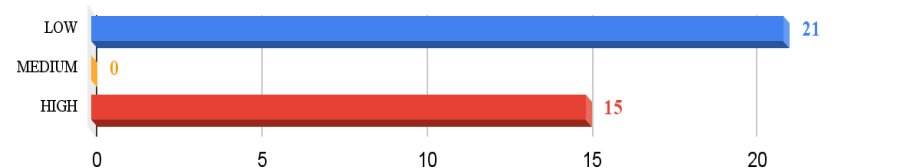
RATING MEDIUM OF PROFILES OF DOSSIERS AT 31.12.2024

DESCRIPTIONS	TOTAL NUMBER	AVERAGE RATING OF PROFILES
TOTAL CLIENTS AND RATING (TOTAL DES CLIENTS AVEC LE RATING MOYEN DES PROFILS)	22	<p>CLIENTS/PROFILE</p> <p>Low 50,0% High 50,0%</p> 
TOTAL OBLIGORS AND RATING (TOTAL DES OBLIGÉS AVEC LE RATING MOYEN DES PROFILS)	36	<p>OBLIGORS/PROFILE</p> <p>Low 58,3% High 41,7%</p> 
TOTAL RL AND RATING (TOTAL DES REPRÉSENTANTS LÉGAUX AVEC LE RATING MOYEN DES PROFILS)	36	<p>LEGAL REPRESENTATIVE / PROFILE</p> <p>High 8,3% Low 91,7%</p> 

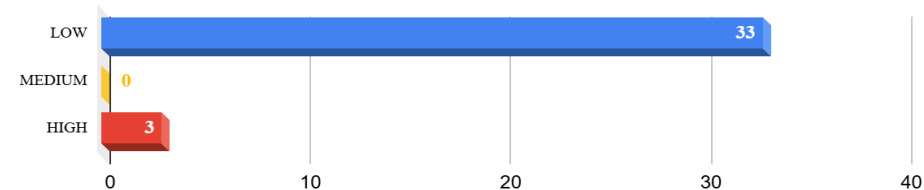
NUMBER OF CLIENTS / PROFILE



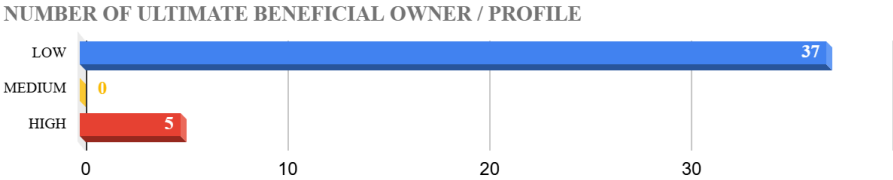
NUMBER OF OBLIGORS / PROFILE



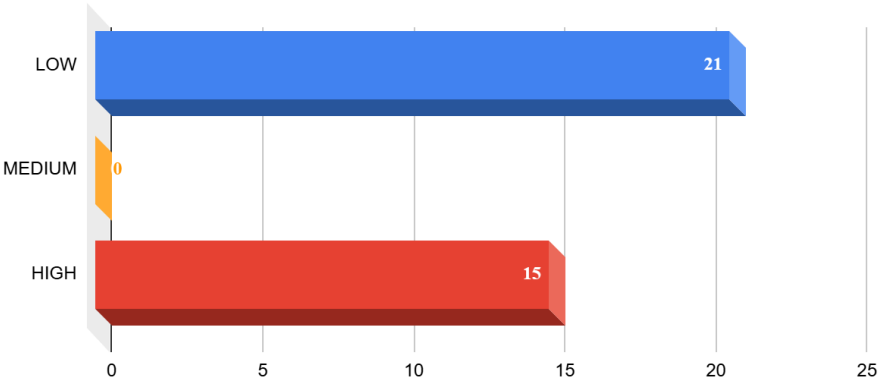
NUMBER OF LEGAL REPRESENTATIVE / PROFIL



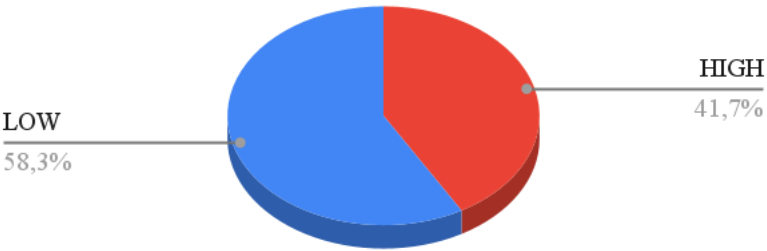
TOTAL UBO AND RATING (TOTAL DES BÉNÉFICIAIRES ÉCONOMIQUES AVEC LE RATING MOYEN DES PROFILS)	42	ULTIMATE BENEFICIAL OWNER / High 11,9% Low 88,1%
TOTAL PEP	04	-



RATING MEDIUM OF PROFILES



RATING MEDIUM OF PROFILE



COMMENT

At **31.12.2024**, we have **36 transactions of corporate clients** currently being monitored in our database, including **36 Legal Representatives** and **42 Ultimate Beneficial Owners**.

Of the **36 transactions of corporate clients**, **30** have already received our guarantee, leaving 6 yet to receive our guarantee.

Signed by:
Eunice Vodounou
81A70361680E46F...
Eunice VODOUNOU
**Chief Compliance Officer &
Deputy Head Middle Officer**

DocuSigned by:
Steaven Gbetowenonmon
97765C13C8744CF...
Steaven GBETOWENONMON
Chief Risk officer

DocuSigned by:
Sophia Mamadou Bouba
F53D9E6A1D4A474...
Sophia MAMADOU BOUBA
**Chief Commitment Officer &
Head Middle Officer**



ETC Invest S.p.A

Via Galileo Galilei 2, CAP 31057 Silea, Treviso – Italia

www.etcgroup.it

info@etcgroup.it